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# Texas Department of Health

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## Agency at a Glance

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The Texas Department of Health (TDH) is charged with protecting and promoting the health of Texans. In pursuit of its mission, TDH administers approximately 130 programs, functioning to address health care needs of the individual and the population as a whole through direct and indirect services, and professional and facility licensing. The Department's five priorities are improving immunization rates, promoting fitness, eliminating health disparities across populations, improving its ability to respond to disasters, and improving its business practices.

### Key Facts

- **Funding.** TDH operates on a \$1.7 billion annual budget. Of that amount, \$890 million comes from federal funds, some of which is drawn down as a result of state matching contributions. The majority of the Department's funds, \$1.2 billion, is paid to contractors for client services and grants.
- **Staffing.** The Department has more than 5,100 employees. About half work in the Austin central office, with the remainder working in the eight health regions across the state. These employees include doctors, nurses, sanitarians, laboratory technicians, health physicists, epidemiologists, and statisticians, to name a few.
- **Regional Services.** Of the 254 counties in Texas, approximately 200 do not have a local health department. The Department serves these areas through its regional offices.
- **Advisory Committees.** In addition to the Board of Health, TDH has 25 advisory committees to assist in the policymaking process. The committees provide the Board with guidance on issues such as children with special health care needs, asbestos abatement, indigent health, poison control, school health, and radiation control.
- **Related Boards.** TDH also provides support to 21 administratively attached boards, such as the Interagency Council for Genetic Services and the Statewide Health Coordinating Council.

**Board Members (6)**

George H. McKleskey, B.B.A., J.D.  
Chair (Lubbock)  
Mario R. Anzaldua, M.D. (Mission)  
Mary Ceverha, M.P.A. (Dallas)

Raymond Hannigan (Austin)  
Amanullah Khan, M.D., Ph.D. (Dallas)  
Margo S. Scholin, B.S.N., M.S., J.D. (Houston)

**Agency Head**

Eduardo J. Sanchez, M.D., M.P.H.  
Commissioner (512) 458-7375

**Recommendation**

1. Continue Efforts to Monitor TDH Implementation of Business Process Improvements.

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**Issue 1 | The Department of Health Has Made Progress, But Much Work is Left to be Done to Improve Its Business Practices.**

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**Special Purpose Review**

The 77th Legislature directed the Sunset Advisory Commission to conduct a special purpose review to follow up on the implementation status of recommendations made in recent years. Specifically, the Legislature directed the Commission to evaluate the extent to which the Department implemented recommendations and directives from:

- House Bill 2085, the TDH Sunset bill from the 76th Legislature;
- Sunset Advisory Commission management recommendations;
- Office of the State Auditor Reports since January 1, 1999; and
- consultant reports issued after January 1, 2001 (i.e., *Business Practices Evaluation* by consultant, Elton Bomer).

**Key Findings**

- Despite repeated recommendations on streamlining agency operations, funds management, contract administration, and assessing and reporting agency information, the agency has yet to significantly improve its business operations.
- The Department has not fully implemented recommendations to improve administrative funds management.
- Key recommendations to standardize Department contacting policies remain to be implemented.

Over the past four years since the Sunset review of the Texas Department of Health (TDH), little has changed to actually reduce duplication in programs and business operations. In these times of limited resources, TDH cannot afford to continue without making and carrying out hard decisions to structurally improve its operations. To its credit, in response to legislative direction, TDH has done extensive evaluation and planning to seek out improvements and has implemented new financial management software. At the same time, TDH has dealt with issues such as preparedness for the threat of bioterrorism and the management of the outbreak of West Nile virus.

However, TDH has only fully implemented slightly more than forty percent of recommended actions. Of note, about 60 percent of the recommendations to streamline agency functions have not been fully implemented. The Department continues to operate with programs in organizational silos, often not effectively communicating or sharing resources. Plans to resolve some of the administrative inefficiencies are in the works, but the Department has a long way to go to eliminate years of culture, practice, and bureaucratic inertia that inhibit its effectiveness.

## Recommendations

### Legislative Action

- 1.1 The Legislature should include a rider in the General Appropriations Act that requires TDH to continue to report implementation status quarterly for the next two years.**

Under this approach, the Legislature would create a rider in the agency's appropriations bill pattern continuing the existing directive that requires TDH to report on the status of the business implementation plan quarterly. The report should include specific information demonstrating the Department's progress on the recommendations for improvements in business practices. In addition, the Office of the State Auditor should continue to monitor the agency's progress toward completing implementation for two more years.

As the Department moves to improve its business practices, two recommendations in the *Business Practices Evaluation* need particular attention: completing a comprehensive functional assessment of the agency, and reassessing its cost allocation methodologies to allow for greater administrative flexibility. Implementation of these recommendations is key to achieving the administrative efficiencies envisioned in the consultants' evaluation.

### Sunset Commission Action

- 1.2 The Sunset Advisory Commission should report to the 79th Legislature on the status of the Department's efforts to improve its business operations.**

This recommendation would require the Sunset Commission to follow up on agency implementation of business practice recommendations as part of its compliance review during the next Sunset cycle.

## Fiscal Implication Summary

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This recommendation would not have a direct fiscal impact to the State.